

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MT. OLIVET) CASE NO. 9918-D
NATURAL GAS COMPANY, INC.)

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On August 10, 1987, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission that it received a decrease in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective September 1, 1987, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mt. Olivet's notice of August 10, 1987, set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$21,879 or 55.53 cents

per Mcf. Mt. Olivet incorrectly calculated the decrease based on Mcf sales instead of Mcf purchases, in accordance with its purchased gas adjustment clause. In future filings, Mt. Olivet should use the methodology specified in its clause.

(2) Transmission filed revised rates with the Federal Energy Regulatory Commission to be effective September 1, 1987.

(3) Mt. Olivet's corrected adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987, are fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1987.

IT IS THEREFORE ORDERED that:

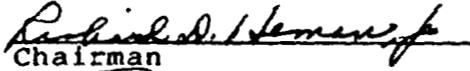
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1987.

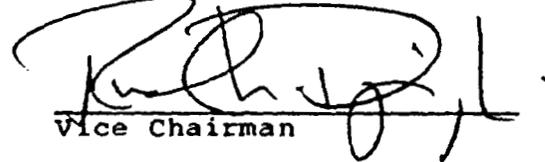
(2) Within 30 days of the date of this Order Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) In future filings, Mt. Olivet shall calculate its change in rates based on Mcf purchases instead of sales.

Done at Frankfort, Kentucky, this 31st day of August, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9918-D DATED 8/31/87

The following rates are prescribed for the customers served by Mt. Olivet Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates: Monthly

| | | | |
|-------|----------------------------------|--------|----------------|
| First | 1,000 cu. ft. or less | \$5.96 | (Minimum Bill) |
| Next | 4,000 cu. ft. per 1,000 cu. ft. | 4.2126 | |
| Next | 5,000 cu. ft. per 1,000 cu. ft. | 4.0126 | |
| Next | 10,000 cu. ft. per 1,000 cu. ft. | 3.8626 | |
| Over | 20,000 cu. ft. per 1,000 cu. ft. | 3.6626 | |

The base rate for the future application of the purchased gas adjustment clause of Mt. Olivet Natural Gas Company, Inc., shall be:

| | <u>Demand</u> | <u>Commodity</u> |
|---------------------------------------|---------------|------------------|
| Columbia Gas Transmission Corporation | - | \$2.8356 per Dth |